State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

April 10, 2003

THIS MEMO HAS BEEN REPLACED BY OSUP <u>MEMO #2010-50</u>, DATED JUNE 23, 2010.

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2003-53

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
            Director

SUBJECT: Employee Claims

Claims are employee overpayments that an agency must recover before the close of a calendar year. These claims, if unresolved after the last payroll of any calendar year, must be cleared to reflect earnings correctly on the employee's W-2. If a spreadsheet is attached, your department/agency had employee claim activity for calendar year 2002 that required ISIS HR staff assistance. No action is required as a result of the spreadsheet attached. It is being distributed for documentation purposes and should be analyzed in hopes of identifying the following:

1) agency procedures that may need to be modified to further prevent the possibility of overpayments.
2) agency staff that may require either additional training or possibly removal of specific system update authorities.

Claims are created primarily by retroactive separations or retroactive leave entries that cause the system to have to recalculate payroll payments for a previous pay period. When these recalculations occur and the system detects a wage or deduction difference, this difference is carried forward into the current pay period. If current pay period gross is less than the overpayment coming forward, a claim results. For detailed information about claims, click here: http://www.doa.state.la.us/osis/Bulletinboards/HR/bulletinboard.htm#Claims.

The spreadsheet, if one is attached, provides for each employee claim the following information: agency number, personnel number, gross claim amount, and a current status as of 1/01/03 for that claim.

Status values are as follows:
a) **Active**
Employee's claim was cleared prior to W-2 generation, however was set back up as of Period 01/2003. At whatever time gross becomes available for this employee, the system will automatically recover this overpayment.
        <u>*Note:*</u> It could take multiple pay periods to achieve full recoupment, with no further intervention necessary by your agency.
b) **Paid**
Employee has repaid the entire overpayment.

POST OFFICE BOX 94095   ●   CLAIBORNE BUILDING   ●   BATON ROUGE, LA 70804-9095
(225) 342-0713   ●   Fax (225) 342-1650
AN EQUAL OPPORTUNITY EMPLOYER

c) Pending
Employee is separated. A payroll lock has been placed on the employee's record. If rehired by an ISIS HR paid agency, this lock must be removed by ISIS HR staff in order for the employee to process through payroll. ZP45 will notify agency staff of the lock at time of rehire; agency is then requested to place a Help Desk call. Once notified, ISIS HR staff will re-establish the claim (status will become **Active**) and delete the payroll lock.

Beginning April 2003, all claims for separated employees will be cleared following the last period of each quarter. The separated employee's status will be set to **Pending** upon clearing the claim. It is important that the agency contact the ISIS HR Help Desk immediately upon receipt of a check or money order from the separated employee. This will allow the Help Desk to correct the employee's record and reflect the true balance of the claim.

In order to avoid claims, we urge agencies to review their business processes in an attempt to limit, as much as possible, the volume of retroactive time and master data entries that we are currently observing. The greater the number of pay periods that must be recalculated, the greater the chance for claims to be created. Agency staff must also be very careful when entering retroactive absence entries and follow Help scripts written for this purpose http://www.state.la.us/hrhelp/content/prmd-enteringretroleave_or_correctingzt04(absence_absenceerrors)/wi/html/index.htm. When an agency simulates a payroll result and identifies that the actions they have taken in ISIS will result in a claim, we recommend that they call the ISIS HR Help Desk and request a review of the employee record BEFORE saving an off-cycle result or before the next regular payroll runs.

In an effort to aid agencies in identifying current claims on both separated and active employees, the **ZP145** (Payroll Reconciliation report) has been developed. We recommend that you run this report bi-weekly. A report descriptor is available to assist you in running this new report.

All claims must be researched. It is possible that the claim resulted from master or time data that was changed incorrectly. If this is the case, correct the problem data and then simulate a current period correction payment and see if the claim goes away. (Do not store this simulation.) If you, instead, determine that the claim is valid and the employee was indeed overpaid, agencies should follow internal procedures for collecting employee overpayments.

It is very important that agencies realize that the amount reported for wage type **/561** (Claim) has not been adjusted by Federal and State taxes, Medicare or Social Security. If a separated employee will be repaying by check or money order, be sure to confirm the NET that you think is owed with the ISIS HR Help Desk before attempting to collect. Once a check has been received, the agency must then notify the ISIS HR Help Desk of the check amount and request to reflect the claim within ISIS HR as resolved (Paid). If the employee is active, the claim should be recouped through the system, unless you receive permission from OSUP to collect via check or money order. Please note that if the employee prefers that the overpayment amount be collected as a recurring amount across multiple pay periods (thus allowing the employee to retain a certain amount of net each pay period) this can be accommodated. Please call the ISIS HR Help Desk at 225-342-2677.

NOTE: Each year, OSUP will distribute to agency/department undersecretaries a detailed listing of claims that have not been resolved. This listing will provide your agency with the total dollar amount of non-budgeted expenditures charged to your agency's appropriation(s) during the fiscal year.

If there are any questions about the above note, contact a member of the OSUP Benefits and Financial Administration unit at (225):

Paula Rotolo	342-5377	Angel Vernon	342-5344
Penny Jones	342-5354	Orneatha Wright	342-5357
Angela Woods	342-5345		

JWC/MO/kmb

Attachment: (Agency Specific)